Government of
Saskatchewan

2006-2007
Annual Report

Saskatchewan
Government
Relations

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This annual report can be viewed and downloaded at **http://www.gr.gov.sk.ca/publications.htm**

Government Relations' main website address is **http://www.gr.gov.sk.ca**

Ministers' Letter of Transmittal

The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

Your Honour:

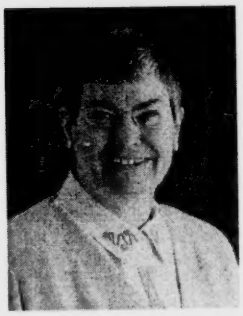
It is our privilege to submit to you the Annual Report of Saskatchewan Government Relations for the fiscal year ending March 31, 2007.

Respectfully submitted,

Harry Van Mulligen
Minister of Government Relations

Joan Beatty
Provincial Secretary

Deputy Minister's Letter of Transmittal



The Honourable Harry Van Mulligen
Minister of Government Relations

The Honourable Joan Beatty
Provincial Secretary

Dear Ministers:

I have the honour of submitting the Annual Report of Saskatchewan Government Relations for the fiscal year ending March 31, 2007.

Our province has a vision of being the best place for people to live, work and build strong futures. The work of the Department plays an important role in making that vision a reality.

Throughout the year staff worked diligently in meeting the goals and objectives that assist the Department in its work and in contributing to a vibrant Saskatchewan and a strong Canada.

Respectfully submitted,

Lily Stonehouse
Deputy Minister, Government Relations
Deputy Provincial Secretary

Introduction

This annual report describes the actual results for the key actions and performance measures for Government Relations that were published in the *2006-07 Performance Plan*, which was released in March 2006 and can be accessed at the following website address:
http://www.gr.gov.sk.ca/publications.htm.

This year's annual report outlines Government Relations' results and performance measures for the period of April, 2006 to March 31, 2007. The annual report describes the results for key actions and performance measures that were published in the *2006-07 Performance Plan,* which was released in March 2006. A copy of the Plan can be found at:
http://www.gov.sk.ca/finance/budget/budget06/budgetsummary.pdf.

This year's annual report contains a number of enhancements that are the result of the continued implementation of the provincial government's Accountability Framework. Reporting actual financial and performance results as compared to a plan released at the start of the year, increases public accountability.

The Department did not release its *2007-08 Performance Plan* with the provincial budget on March 22, 2007. The current performance plan is under development to reflect new priorities and is expected to be released in the summer of 2007. Previous annual reports and performance plans can be accessed at:
http://www.gr.gov.sk.ca/publications.htm.

Who We Are

Mandate

The mandate of the Department is to promote Saskatchewan's interests through management of the Province's relations with other governments in Canada and abroad. The Department works in partnership with communities to support local governance, provide financial and technical support and develop legislation, regulations and other policies to meet the changing needs of municipal governments. The Department also coordinates and manages matters related to Government House, French-language services, official protocol, provincial honours, and provides administrative services to the Office of the Lieutenant Governor.

Vision

The branches of Government Relations work collectively toward the Department's vision:

The citizenship of Saskatchewan people is enriched by:

- creating and maintaining respectful, responsive and effective partnerships between governments in Saskatchewan, Canada and abroad; and
- celebrating our heritage and honouring our achievements.

Key Programs and Services

Government Relations works in a challenging environment with a very broad mandate. At times, the Department acts as a central agency, partnering with other government departments to achieve its goals. In other instances, the Department's ability to achieve its goals is heavily impacted by national and global influences.

Government Relations is comprised of three divisions: Intergovernmental Relations, Municipal Relations and the Provincial Secretary. These divisions work collectively to fulfill the Department's mandate through the delivery of a variety of programs and services.

Intergovernmental Relations

Intergovernmental Relations has both a Canadian focus, namely the management of federal, provincial and interprovincial relations, and an international focus, including trade policy and international relations.

The Office of French-language Co-ordination (OFLC) facilitates the liaison between the provincial government and the Francophone community of Saskatchewan by supporting departments, Crown corporations and agencies with a view to improving French-language services in the Province, by guiding and monitoring the implementation of the Government of Saskatchewan French-language Services Policy, by co-ordinating intragovernmental French-language initiatives and by providing quality translation services. As well, the OFLC provides the Francophone community with a point of access to the provincial government.

Canadian Intergovernmental Relations advance Saskatchewan's economic, social and constitutional interests through the strategic management of intergovernmental partnerships within Canada. The trade policy function develops and advances Saskatchewan's objectives in domestic and international trade (market access) negotiations and disputes, while the international relations function co-ordinates the strategic management of provincial interests abroad.

The primary partners for these functions, both domestic and international, are other Canadian governments and organizations involved in managing the intergovernmental dimensions of these files.

Municipal Relations

The Department assists 13 cities and 460 other urban municipalities, 296 rural municipalities and 24 northern municipalities in fulfilling their obligations to their residents. This support is provided under six lines of business – financial programs, governance, human capacity, regulatory, relationship management and policy. The Department works with the municipal sector to develop programs, services, legislation, regulations and policies that build good local government and define and protect public interests in Saskatchewan's system of local

government. The Department is also responsible for municipal administration and operations in the Northern Saskatchewan Administration District.

Key partners include municipal councils and administrators, municipal associations, community planners and property assessment appraisers. The Department works closely with other provincial departments and in consultation with other provinces and territories and the federal government in carrying out its responsibilities.

The performance results are reliant on the municipal sector's compliance with provincial legislation and program funding requirements and accountability to the public and the provincial government. The municipalities are accountable to the provincial government regarding the use of the funding they receive from provincial government programs and from programs established by federal/provincial agreements that are administered by the provincial government. They are accountable to the public and the government for complying with provincial legislation requirements and accountable to the public to provide good local governance. The legislation balances local autonomy with accountability. The municipal audited financial statements are one tool for achieving accountability by showing the public and the government how municipal funds are spent. Public access to assessment data for property tax purposes is another form of accountability.

Government Relations is also a key department involved in the cross-government Safe Drinking Water Strategy. Additional information regarding this strategy can be found at www.se.gov.sk.ca.

Provincial Secretary

Provincial Secretary includes the Office of the Lieutenant Governor, the Office of Protocol and Honours and Government House Museum and Heritage Property.

The Office of Protocol and Honours is responsible for official visits, functions and symbols, the Legislative Building art collection and the provincial Honours and Awards Program which recognizes the contributions of our citizens to the well-being of Saskatchewan people. The program includes the Saskatchewan Order of Merit, the Saskatchewan Volunteer Medal, the Saskatchewan Protective Services Medal, the Saskatchewan Distinguished Services Award, the Premier's Award for Excellence in the Public Service and the Saskatchewan Youth Award. Information on the provincial Honours and Awards Program can be found at www.gr.gov.sk.ca/protocol.

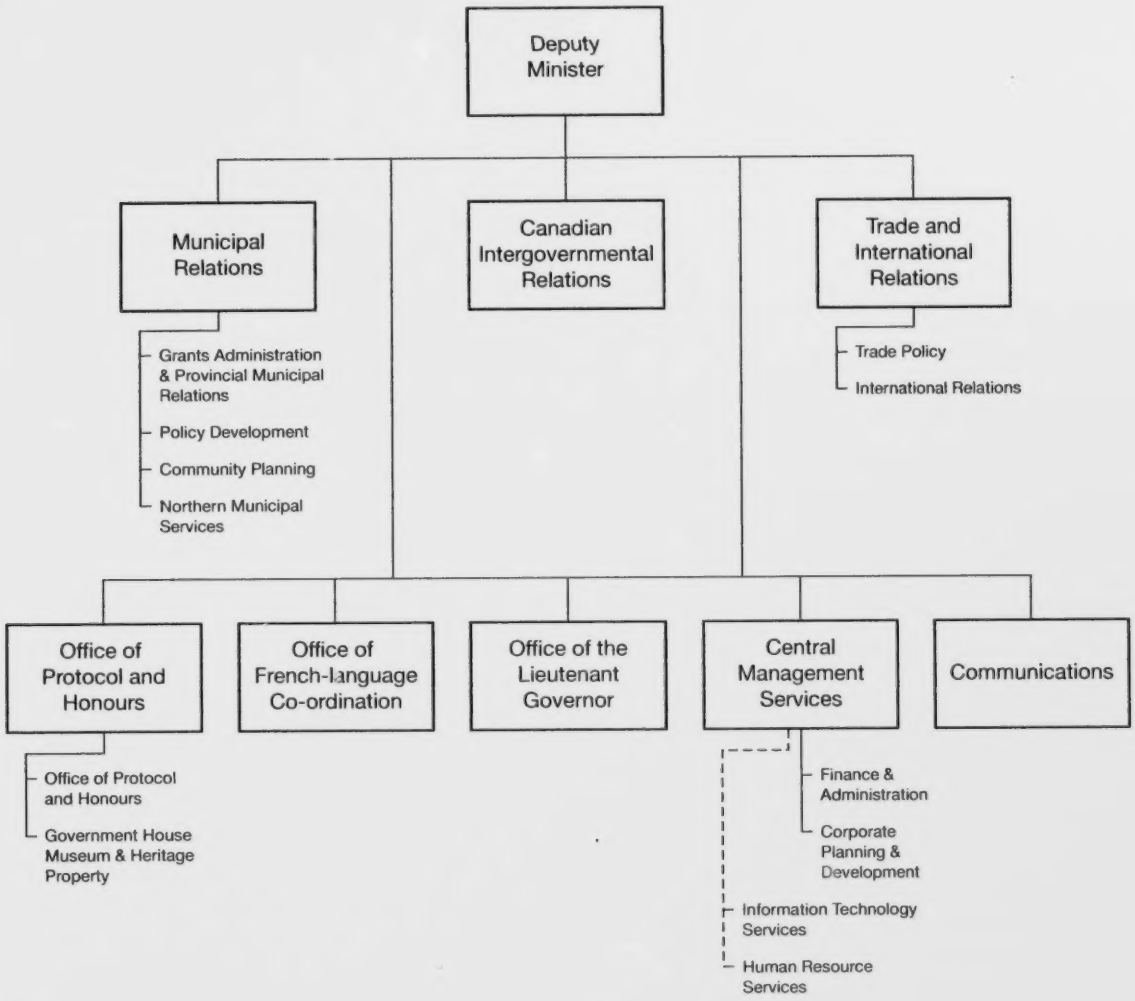
Government House is a key museum and provincial heritage property with a mandate to provide educational programs to schools and the community-at-large, tourism opportunities, a government hospitality facility, and the Office of the Lieutenant Governor.

Offices within Provincial Secretary interact routinely with members of the public and with organizations sharing an interest in Saskatchewan's heritage, culture, and the promotion of the accomplishments of our people.

Service-delivery system

The Department employs approximately 167 people with offices in Regina, Saskatoon, La Ronge and Buffalo Narrows.

Organization Chart



2006-07 Results at a Glance

Summary of Performance Results

The Department made significant progress in advancing its goals in 2006-07. Following are highlights of the most significant performance results by strategic goal:

Goal 1. Canada's constitutionally recognized communities and people are acknowledged, respected and supported within our province and federation.

- Substantive progress was made in helping Justice and Advanced Education and Employment provide additional French-language services. The departments of Health and Learning also increased their activities during the year.
- The Office of French-language Co-ordination increased its volume of translation services to departments, Crown corporations and agencies.
- In consultation with community stakeholders, departments, Crown corporations and agencies, the Department explored service delivery mechanisms to increase the provision of consistent French-language services.
- Support was provided to new and ongoing departmental consultation committees with the Francophone Community on key topics such as employment services, immigration, post-secondary education and justice.

Goal 2. Saskatchewan's social, economic, and constitutional interests are advanced, and its values are recognized and reflected, within a strong, united Canadian federation and within the international community.

- The Department played a key role in improving public awareness of the importance of the federal government honouring its commitment to Saskatchewan by excluding non-renewable natural resource revenues from the Equalization formula.
- A national summit on Aboriginal Economic Development was held in Saskatoon.
- The Province was a proactive, national leader in addressing climate change, and played a role in the development of a *Made-in-Canada Climate Change Plan* at the 2006 Western Premiers' Conference (WPC).
- The Department played a role in launching a national public awareness campaign on the dangers of crystal meth and other addictive drugs during *Addictions Awareness Week* in November.
- Pan-Canadian strategies for post-secondary education, transportation, and energy were developed.
- Processes to improve the coordination of the Province's intergovernmental interests, goals and strategies were implemented.
- Saskatchewan's negotiating objectives prior to the Geneva Mini-Ministerial meeting in July 2006 were advanced and reinforced following the re-launch of the negotiations in January 2007.
- Saskatchewan negotiated accession to the 7th Protocol of Amendment on significant improvements to the Agreement on Internal Trade dispute resolution mechanism.

- Saskatchewan continued to lead a Canada-wide working group looking at more effective enforcement of dispute panel rulings, and remained fully engaged in all other working groups in the Council of the Federation's work plan on internal trade.

- Saskatchewan undertook extensive internal analysis of, and commissioned several external economic studies on, the Alberta-British Columbia Trade, Investment and Labour Mobility Agreement (TILMA) as part of its 'due diligence' work on assessing the merits of the province negotiating accession to that agreement.

- Saskatchewan is strongly supporting Canada's current challenge of the U.S. government's refusal to refund all duties collected on wheat in the original trade action against Canada.

- The province appeared before a Commons Committee to protest the fact that Canada had agreed with the U.S. to 'freeze' Saskatchewan's market access to the U.S. on softwood lumber at a level some 40 per cent lower than it actually was in 2000 before the latest dispute erupted.

- Saskatchewan continued to press Quebec (measures related to the colour of margarine) and Ontario (measures to restrict the sale of dairy blends) to comply with panel rulings that came out in favour of Saskatchewan's position in both cases.

- The Department managed the Premier's participation in a trilateral (Canada/US/Mexico) 'Leaders Summit' of province's and states; coordinated the Premier's investment attraction mission to France; and supported the Minister's participation in several cross-border forums, including: the Midwestern Legislative Conference in Chicago; the Border Security and Cooperation Summit in North Dakota; and a bilateral Intergovernmental Accord meeting in Montana.

- The Department coordinated provincial participation in the trilateral Security and Prosperity Partnership, managed the interdepartmental work on mitigating the local fiscal impacts of the U.S. Western Hemisphere Travel Initiative (WHTI), coordinated a visit to Saskatchewan for senior officials of the U.S. Energy Council, which led to the province's membership in this influential organization.

- The Department developed the government's formal response to the report and recommendations of the Advisory Committee on Saskatchewan-Ukraine Relations (ACSUR) and renewed a mandate to explore possible areas of future provincial cooperation in the context of any new Canada-Ukraine Country Program Framework.

Goal 3. Respectful, effective municipal-provincial relationships that strengthen the quality of local governance for the benefit of Saskatchewan residents.

- Significant funding was provided to municipalities to assist them in providing services to their residents, including:
  - $97.3 million in provincial revenue sharing;
  - $17.6 million in provincial and federal funds under the Municipal Rural Infrastructure Fund and the Canada Saskatchewan Infrastructure Program;
  - $2.6 million in provincial funding for Transit for the Disabled;
  - $3.4 million for northern water and sewer systems;
  - $16.2 million of federal gas tax revenues; and
  - $40 million in federal public transit funding.

- The municipal sector and the provincial government agreed to work together to develop a Municipal Sector Strategic Plan to develop a long-term plan for operational and infrastructure funding for municipalities, and to engage provincial departments and agencies and the municipal sector in addressing common priorities, issues and opportunities. As part of this initiative, a

municipal-department committee was established to develop a Municipal Asset Information System to provide information to plan for provincial funding, to support negotiations with the federal government for municipal infrastructure funding, and to meet municipal asset information needs.

- A new *Planning and Development Act* was proclaimed, which includes incorporation of provincial interests in municipal planning, a new corporate model for District Planning Authorities and requirements for municipal land use bylaws, including protection of water sources.

- The Department assisted Learning in providing $55 million in education property tax relief (eight per cent tax credit) to all property taxpayers and $52.8 million to agricultural property taxpayers (38 per cent tax credit) in 2006, and in developing property tax relief initiatives for 2007 and 2008 that provide an increase in the non-agricultural property tax credit from eight per cent to 10 per cent and maintains for 2007 the agriculture property tax credit at 38 per cent.

- A new funding scheme was developed for Saskatchewan Assessment Management Agency (SAMA) to provide long term, sustainable and principle based funding, where over time the funding proportions will reach 40 per cent-30 per cent-30 per cent for the province, municipalities and school divisions, respectively.

Goal 4. Saskatchewan's identity, heritage and the achievements of our people are honoured, promoted and celebrated.

- The Department coordinated the first official visit of the new Governor General of Canada, Her Excellency the Right Honourable Michaëlle Jean, C.C., C.M.M., C.O.M., C.D.

- The Department coordinated the visit of His Royal Highness The Earl of Wessex and his investiture into the Saskatchewan Order of Merit.

- The Department coordinated the farewell event of the former Lieutenant Governor, the Honourable Dr. Lynda M. Haverstock, S.O.M.

- The Department managed the installation of the new Lieutenant Governor, His Honour the Honourable Dr. Gordon L. Barnhart, S.O.M.

- The Department played a key role in the development and implementation of the ceremony for the installation of the new Chief Justice of Saskatchewan, the Honourable John Klebuc, and the farewell to retiring Chief Justice the Honourable E.D. Bayda.

- During the year major renovations to the Sylvia Fedoruk Conservatory at Government House Museum and Heritage Property began.

- The Saskatchewan Youth Award was established.

- The province hosted 21 Ambassadors and other foreign dignitaries visiting Saskatchewan.

Summary of Financial Results

The 2006-07 Department budget was $199.4 million. Total 2006-07 expenditures were $207.5 million, an over expenditure of $8.1 million primarily as a result of additional funding of $27.7 million provided by the federal government for the Public Transit Capital Trust ($27.5 million) and funding for the development a new interactive computer simulation model for property revaluation ($.2 million). These increases were partially offset by under-expenditures of $19.6 million primarily as a result of delays in construction of infrastructure projects, lower than anticipated payment of grants in lieu of property taxes due to re-assessment and change in property status, and an under-expenditure in New Deals for Cities and Communities due to projects not approved or advanced.

The 2006-07 Department revenue budget was $46.4 million; actual revenues for 2006-07 were $28.1 million. The decrease in revenue of $18.3 million was primarily the result of not receiving anticipated revenue for the Federal Public Transit Program. This program was replaced with the new Federal Public Transit Capital Trust Program. Revenue transferred to the Province under this new program was received by Saskatchewan Finance, and not Government Relations. Project start or completion delays also reduced anticipated revenue from both the Municipal Rural Infrastructure Fund and the Canada-Saskatchewan Infrastructure Program.

For 2006-07, the comparison of actual to budgeted full-time equivalents was 154.5 to 166.7. The under utilization of 12.2 full-time equivalents is primarily the result of delays in staffing various positions within the Department.

2006-07 Performance Results

The purpose of this section is to report on and explain the detailed performance results associated with all key actions and performance measures in the Department's *2006-07 Performance Plan.*

The Department uses these results to assess overall progress towards achieving its goals and objectives each year and to inform or adjust future plans and actions.

For example, many of the 2006-07 results have contributed to strengthening the relationship between the provincial government and the municipal sector and the capacity of local governments. This includes increased revenue sharing and municipal infrastructure funding, stronger advisory and professional assistance, property tax relief, continuous consultations on legislative changes along with working with the municipal sector in the development of a Municipal Sector Strategic Plan. The sector plan will build relationships with the municipal associations and the senior administrative level in cities and other municipalities, to better understand and address municipal needs, issues and opportunities.

Another example is the work the Office of French-language Co-ordination provides through its consultations with its partners in its support of the Francophone community regarding contributions to the social, economic and cultural development of Saskatchewan. This included promotion of Saskatchewan and recruiting Francophone workers in Canada and around the world; increased programs and services by the *Institut français* of the University of Regina and the *Service fransaskois de formation aux adultes* (SEFFA); improved French-language judicial services; and increased translation services throughout government.

The key actions presented in the Department's 2006-07 plan are listed below, followed by a report on the progress for each. Actual results are included for all key actions and performance measures that were published in the *2006-07 Performance Plan,* as well as for all commitments related to Government Relations in the government-wide *2006-07 Performance Plan Summary.*

Additional information about the Department's performance measures for 2006-07 is available at: http://www.gr.gov.sk.ca/PDFs/performance_plans/2006-07.pdf.

Goal 1. Canada's constitutionally recognized communities and people are acknowledged, respected and supported within our province and federation.

Objective 1. Enhance the delivery of French-language services in Saskatchewan in sectors important to Saskatchewan's Francophone community.

The Government of Saskatchewan recognizes that equitable access to certain provincial government services in French is essential to sustaining the Francophone community's development and its ability to maintain its contribution to the social, economic and cultural development of Saskatchewan.

The 2006-07 fiscal year was marked by significant accomplishments in immigration and employability, both key sectors identified by the Francophone community. The Department of Advanced Education and Employment enhanced an existing agreement with the Francophone community, thus helping the *Guichet unique of the Assemblée communautaire fransaskoise* (ACF) play a greater role in promoting Saskatchewan and recruiting Francophone workers in Canada and around the world.

Co-operative efforts among representatives from the government, the community and learning institutions in the postsecondary education sector also led to an increase in programs and services provided by the *Institut français* of the University of Regina and the *Service fransaskois de formation aux adultes* (SEFFA). Discussions are ongoing on how to make French-language study programs available at the college level.

In the justice sector, the French-language Court Services Committee in the Department of Justice adopted a proactive approach by developing a three-year operational plan focused on improving French-language judicial services and their accessibility.

In immigration, Saskatchewan successfully led a mission to promote the province and recruit

immigrants from Europe and met its targets in terms of the number of French-speaking immigrants recruited, through its Nominee Program.

With regard to education, specialized professional services continue to be provided in French to students and their families in the *Francophone* school network, through a partnership involving several departments. In the sector of early childhood development, the province continues to facilitate access to French-language child care services and to ensure continued dialogue with the Francophone community, which is represented on Saskatchewan's Early Learning & Child Care Advisory Board.

Over the last year, the Department of Government Relations, in consultation with its partners, led a discussion on the offer of French-language services in Saskatchewan and reviewed different service delivery models, including a single-window approach, to facilitate the offer of services.

The volume of translation requests received by the Office of French-language Co-ordination (OFLC) continued to increase, a trend that began in 2003. The OFLC received over 700 requests for translation from 34 government departments, Crown corporations and agencies in Saskatchewan. The OFLC also saw an increase of 9.5 per cent in the number of words translated, compared to the last fiscal year.

Key Results

- Implement the Government of Saskatchewan French-language Services Policy by consulting with departments, Crown corporations and agencies, through regular meetings of the Office of French-language Co-ordination (OFLC) Intragovernmental Liaison Network, to establish a workable timeframe and to apply the implementation guidelines. [2006-07 planned result]

  - explored different options to increase the provision of consistent French-language services within Saskatchewan's means, including a proposal for a Bilingual service centre;

  - provided support to on-going and new departmental consultation committees composed of representatives from provincial government and representatives from the Francophone community in keys sectors such as employment services, immigration, post-secondary education, learning and justice;

  - led a provincial consultation with representatives from provincial Francophone associations in the context of the Ministerial Conference on the Canadian Francophonie to better understand the issues and challenges faced by French-speaking citizens;

  - created a French-language active offer "brand" under the word mark *Bonjour!* that will be used in conjunction with a toolkit to facilitate and promote the offer of French-language services in targeted departments; and

  - created and launched "Bonjour Saskatchewan", a newsletter on best practices in relation to French-language services.

- Prepare the annual report detailing progress in achieving the service goals as set out in the French-language Services Policy. [2006-07 planned result]

  - Draft Annual Report prepared for 2006-2007 and its publication is scheduled for June 2007.

- Maintain effective consultation between the Government of Saskatchewan and the Fransaskois community through quarterly meetings of the Provincial Government-Francophone Community Joint Liaison Committee on French-language Services and through regular meetings with key Francophone sectoral organizations. [2006-07 planned result]

  - The Joint Liaison committee met three times during 2006-07. Members analysed and recommended actions to increase the offer of French-language services, in particular in the area of post-secondary education. One meeting had to be cancelled as a result of job action experienced in the public service in the winter of 2006.

- Act as a liaison between the Francophone Community and government departments, Crown corporations and agencies to facilitate constructive collaboration and partnership toward achieving the service goals in the French-language Services Policy. [2006-07 planned result]

▷ The OFLC Intragovernmental Liaison Network met twice in 2006-07 and contributed to the development of a model to deliver consistent French-language services. Two meetings were cancelled primarily as a result of job action experienced within the public service in the winter of 2006.

▶ Collaborate with federal, provincial and territorial counterparts on establishing mechanisms to facilitate joint/multilateral French-language services initiatives, including Saskatchewan participation at the Ministerial Conference on the Canadian Francophonie. [2006-07 planned result]

▷ Saskatchewan chaired both the ministerial and senior officials components of the Ministerial Conference on the Canadian Francophonie during the first half of the year, seeking to establish greater cooperation between provincial and territorial partners and the Government of Canada on issues related to French-language services.

▶ Ensure effective use of funding provided under a renewed Canada-Saskatchewan Agreement on French-language Services (2005-06 to 2008-09). [2006-07 planned result]

▷ Saskatchewan successfully addressed the backlog in Canada-Saskatchewan reporting obligations resulting in full reimbursement of expenditures to date.

Measurement Results

The annual survey was not conducted in 2006-07. The performance measure previously associated with this objective has been eliminated because of limited value and significant resources required to conduct the survey. Consequently, data for this year is unavailable. New performance indicators and measurements in relation to this objective are presently under development.

Goal 2. Saskatchewan's social, economic, and constitutional interests are advanced, and its values are recognized and reflected, within a strong, united Canadian federation and within the international community.

Objective 1. Saskatchewan makes maximum use of intergovernmental instruments and fora to ensure that developments within Canadian federalism are respectful of the constitution; enable the Province to fulfill its responsibilities to citizens; and advance provincial policy priorities and interests.

Within the federation, the actions and policies of the federal government, and other governments, affect Saskatchewan. It is important that Saskatchewan manage its intergovernmental relations in a fashion that impacts positively on these actions and policies, while at the same time supporting provincial interests and objectives, and minimizing risks and costs to the province.

In 2006-07, the Department played a leadership role in:

- improving public awareness of the importance of the federal government honouring its commitment to Saskatchewan by excluding non-renewable natural resource revenues from the Equalization formula;
- holding a national summit on Aboriginal Economic Development in Saskatoon;
- addressing climate change, including playing a leadership role in the development of a *Made-in-Canada Climate Change Plan* at the 2006 Western Premiers' Conference (WPC);
- launching a national public awareness campaign on the dangers of crystal meth and other addictive drugs during *Addictions Awareness Week* in November;
- developing pan-Canadian strategies for post-secondary education, transportation, and energy; and,
- implementing processes to improve the coordination of the Province's intergovernmental interests, goals and strategies.

Progress was limited on Equalization and Aboriginal development files in 2006-07, but the province is well positioned given the broader

federal-provincial environment which in the past year was increasingly characterized by federal unilateralism and a lack of widespread provincial/territorial consensus on the resolution of key intergovernmental priorities.

Key Results

- ▶ Provide strategic intergovernmental advice and support, to advance Saskatchewan's priorities and interests in the following actions:
  - monitoring the implementation of outcomes from the *First Ministers' Meeting on Aboriginal Issues;*
  - monitoring the implementation of the *10-Year Plan to Strengthen Health Care* and the Aboriginal Health Blueprint; and
  - monitoring the implementation of the interim Equalization formula for 2004-05 and 2005-06 and the development and implementation of a new Equalization formula. [2006-07 planned result]

  - ▷ The Department, in collaboration with Saskatchewan Finance, has vigorously advocated for the full realization of the commitment by the Government of Canada to remove non-renewable resources from Equalization by:
    - successfully encouraging interprovincial support for the federal government to keep its promise, specifically from the provinces of Alberta, Newfoundland and Labrador, and British Columbia;
    - launching the "Imagine" campaign designed to increase public awareness about the critical importance of the federal government keeping its promise to the people of Saskatchewan;
    - supporting the Minister in making a presentation to the Senate Standing Committee on National Finance;
    - supporting the Premier in meeting directly with the Prime Minister and Ministers meeting with the federal Ministers of Finance and Intergovernmental Affairs;
    - calling on the federal government to negotiate a *Saskatchewan Energy Accord* to achieve equity and fairness in the treatment of Saskatchewan's natural resource revenues; and,
    - communicating Saskatchewan's position with opinion leaders within the national media and the academic community.

Despite the province's efforts, in its 2007 budget the federal government proposed an approach to Equalization reform that will continue to deny Saskatchewan the benefits of its natural resource revenues. Under the federal government's plan, Saskatchewan will not receive Equalization payments starting in 2008-09 and into the foreseeable future.

In terms of the *First Ministers' Meeting on Aboriginal Issues,* the federal government has chosen not to implement the 2005 Kelowna Accord. However, Government Relations has continued to work in collaboration with other jurisdictions and with Aboriginal organizations to profile the critical importance of Aboriginal development. The Department has worked vigorously through intergovernmental forums to profile and advance Aboriginal issues with other provinces and with the federal government. The Department also played a lead role in hosting a national summit focused on Aboriginal economic development in January 2007. A link to the symposium's website is provided at: www.excellenceinaction2007.ca

With respect to the *10-Year Plan to Strengthen Health Care,* Saskatchewan Health has introduced a series of initiatives to address the commitments contained in the Agreement. A report on the steps taken by Saskatchewan to meet the policy and funding commitments contained in the Plan is available at: www.health.gov.sk.ca/fs_020706_10year.htm

- ▶ Leading or participating in intergovernmental fora in the development of consensus based strategic positions on the following initiatives sponsored by Premiers through the Council of the Federation, or Western Premiers' Conference:
  - Prevention and Treatment Strategies for Crystal Methamphetamine;
  - Post-Secondary Education and Skills Training;
  - National Transportation Strategy;
  - National Energy Strategy; and

- Western Canadian Aboriginal Training Strategy. [2006-07 planned result]

▷ For 2006-07 the Department led or participated in the following key initiatives:
- A national public awareness campaign on the dangers of crystal meth and other addictive drugs was launched during *Addictions Awareness Week* in November 2006 under Saskatchewan's leadership at the Council of Federation (COF);

- A national strategy on PSE and skills training entitled *Competing for Tomorrow* was unveiled at the 2006 COF meeting;

- A national transportation strategy was set out by the COF in *Looking to the Future: A Plan for Investing in Canada's Transportation System;*

- A Pan-Canadian Energy Strategy is being developed by the COF and is expected to be released at the 2007 summer meeting;

- The implementation of the Western Canadian Aboriginal Training Strategy has been substantially delayed due to the federal government's decision not to implement the Kelowna Accord.

The COF strategies identified above can be viewed at: www.councilofthefederation.ca

▶ Work with lead departments and agencies in the development of Saskatchewan's strategic policy positions associated with a range of economic, human resource and sustainable development initiatives flowing from the federal Throne Speech, federal budget documents, or other federal policy pronouncements, as well as Council of the Federation or Western Premiers' Conference sponsored initiatives. For 2006-07, key areas of focus will include: climate change, regulatory reform, the Green Economy, services to Aboriginal people (i.e. Aboriginal Health Blueprint and Western Aboriginal Training Strategy) and the development of Saskatchewan's position on provincial/territorial pan-Canadian strategies for transportation/infrastructure, energy, post-secondary education and skills and crystal methamphetamine addiction. [2006-07 planned result]

▷ In 2006-07, the Department focused its efforts on the following key actions:
- working collaboratively with departments to ensure government-wide coordination of the Province's intergovernmental interests;

- providing a sustained effort to ensure the federal government honoured its commitment to Saskatchewan on the full exclusion of non-renewable natural resource revenues from the Equalization formula;

- improving the analysis provided to senior decision-makers on the intergovernmental implications of federal initiatives, especially the 2007 federal budget;

- leading the initial development of a *Made-in-Canada Climate Change Plan* at the 2006 Western Premiers' Conference;

- leading a COF national awareness campaign on crystal meth and other addictive drugs; and,

- participating in the development of pan-Canadian strategies for post-secondary education, transportation, and energy.

▶ Staff and coordinate the preparation of briefing material for the Premier's participation in First Ministers' Meetings, Council of the Federation Meetings, The Western Premiers' Conference, The Western Governors' Association, and other bilateral meetings with federal, provincial and international counterparts. [2006-07 planned result]

▷ First Ministers' Meetings were not held in 2006-07. The lack of meaningful multi-lateral forums in the past year to engage the federal government has been a significant challenge in advancing a collaborative approach to intergovernmental relations between levels of government.

At the 2006 Western Premiers' Conference, Saskatchewan played a leadership role in developing a *Made-in-Canada Climate Change Plan.* This effort has led to greater provincial collaboration in addressing climate change, including the development of a provincial inventory of climate change best practices across all provinces, and the

adoption of climate change as a focal point for the 2007 COF and WPC summer meetings. The 2006 Conference highlighted three priority areas where FPT collaboration is helpful in addressing climate change: further development of renewable energy and energy efficiency initiatives; implementing adaptation strategies; and emphasizing the positive impact and opportunities inherent in green energy technologies.

At the 2006 Council of the Federation summer meeting, Saskatchewan led discussions in two areas: addressing global pressures on traditional resource industries; and, implementing a COF action plan on addictive drugs. Discussions on the former profiled the importance of ensuring that Canada's traditional resource industries, particularly agriculture, remain competitive in the global economy. Saskatchewan's leadership on the dangers of addiction led to a national public awareness campaign designed to make young people and parents more aware of the dangers of crystal meth and other addictive drugs. The campaign coincided with *Addictions Awareness Week* in November 2006. As a result of our leadership, many provinces have restricted access to key ingredients used to produce crystal meth and have increased resources for the prevention and treatment of addictions.

▶ Advance the strategic international interests of the Province by:
- continuing to develop and implement a proactive positioning strategy for Saskatchewan in the U.S.;

- reviewing/revising the Province's intergovernmental relations with Ukraine;

- assisting departments, agencies and key stakeholders to articulate and implement their international objectives; and,

- staffing the Premier's 'Team Saskatchewan' missions abroad. [2006-07 planned result]

▷ **Premier's/Minister's International Missions:**
- managed the Premier's participation in a trilateral (Canada/US/Mexico) 'Leaders Summit' of provinces and states;

- coordinated the Premier's investment attraction mission to France; and

- supported the Minister's participation in several cross-border forums, including: the Midwestern Legislative Conference in Chicago; the Border Security and Cooperation Summit in North Dakota; and a bilateral Intergovernmental Accord meeting in Montana.

▷ **U.S. Positioning Activity:**
- coordinated provincial participation in the trilateral *Security and Prosperity Partnership;*

- managed the interdepartmental work on mitigating the local fiscal impacts of the U.S.' Western Hemisphere Travel Initiative (WHTI); and

- coordinated a visit to Saskatchewan for senior officials of the U.S. Energy Council, which led to the province's membership in this influential organization.

▷ **Ukraine:**
- developed the government's formal response to the report and recommendations of the Advisory Committee on Saskatchewan-Ukraine Relations (ACSUR);

- renewed the mandate to explore possible areas of future provincial cooperation in the context of any new Canada-Ukraine Country Program Framework; and

- tasked the Advisory Committee on Saskatchewan-Ukraine Relations with promoting the expansion of relations between non-governmental organizations in Saskatchewan and Ukraine.

▷ **Strategic Coordination of International Initiatives:**
- revived and co-chaired, with Industry and Resources, an interdepartmental committee to coordinate the province's international trade/investment relations, beginning with the development of a coherent and strategic response to the new federal Global Commerce Strategy and the Council of the Federation's International Trade Strategy.

Measurement Results

A performance measure for this objective was under development during 2006-07. The Department remains committed to developing an appropriate mix of performance measures that help evaluate performance over-time, including providing assessments as to what extent, Saskatchewan's core intergovernmental interests have been protected and advanced.

Objective 2. Market access for Saskatchewan's exports is increased in a manner consistent with the Government's economic, social, environmental and Aboriginal development policies/strategies.

In 2006 Saskatchewan ranked as the second most trade-oriented province in the country with the value of our exports of goods and services to Canada and abroad amounting to the equivalent of about 69 per cent of the Province's total Gross Domestic Product (GDP) in real terms. By value, approximately 59 per cent of our exports were destined to international markets, and about 41 per cent went to other domestic Canadian markets in 2006 (Source: StatsCan Provincial Economic Accounts, April 2007).

As the Province's current economic development strategy, *Action Plan for the Economy* recognizes, negotiating enhanced and secure access to other markets is essential to the Province's current and future economic performance. However, it is important that such access is also supportive of other provincial development objectives.

Given the modern scope of international and domestic trade policy negotiations, the province can facilitate the achievement of a wide range of objectives listed under the four 'pillars' of the province's current economic strategy, *The Saskatchewan Action Plan for the Economy (2005).*

The *Action Plan* contains two specific trade policy objectives:

- work with the federal government to restore free market access to the U.S. for our producers and exporters of cattle, beef and wheat; and
- secure a more level international playing field for the province's agricultural producers and exporters through the World Trade Organization (WTO) negotiations.

The ability of the Department to directly control the outcomes of such negotiations and/or disputes, to achieve this objective, is limited. Internationally, the Province is not at any of the negotiating tables and can, like the other 12 provincial/territorial governments in Canada, only advise our federal negotiators about Saskatchewan's interests. Domestically, Saskatchewan is one of 14 jurisdictions at the negotiating table.

In 2006-07, progress on both of the *Action Plan's* trade policy objectives was slowed by external factors.

While free access to the US market for wheat was secured in 2005-06, which stabilized that market for our exports, Canada took court action this year challenging the U.S. government's refusal to refund all duties collected in the original trade action against Canada. Saskatchewan strongly supported Canada's decision in this respect.

Notwithstanding several new cases of BSE in Canada this year, free access to the US market for cattle and beef from animals under thirty months of age remains in place. However, full market for all cattle and beef is not expected to occur until FY 2007-08, due to the slow pace of the U.S. Department of Agriculture's rule-making process.

With respect to the WTO agriculture negotiations, these talks were suspended in July 2006, only to be restarted in January 2007. Their outcomes remain uncertain, but at this point it's still possible that improved market access for our agricultural products and tighter disciplines on trade-distorting domestic support and export subsidies will be achieved. These outcomes are important for the long term economic viability of our agricultural producers. However, under on-going pressure from the U.S. and the European Union, Canada appears to have abandoned its original position that our orderly-marketing arrangements, such as the Canadian Wheat Board, should not be on the WTO negotiating table.

Canada's current negotiation of a new free trade agreement with South Korea could, if successful, deliver significant new market access for Saskatchewan's agricultural exporters. Further progress was made this year on the comprehensive renovation of the domestic Agreement on Internal Trade and on the government's 'due diligence' work on assessing the merits of joining the Alberta-BC Trade, Investment and Labour Mobility Agreement (TILMA).

Key Results

▶ Identify/achieve Saskatchewan's objectives in priority negotiating forums:

– **International**
- The World Trade Organization (WTO)

- The North American Free Trade Agreement of the America (NAFTA)

- the Canada-South Korea Free Trade Agreement

- the Canadian-E.U.Trade and Investment Enhancement Agreement and the evolving 'economic framework' discussions with China and Japan

– **Domestic**
- Agreement on Internal Trade (AIT) [2006-07 planned result]

▷ **International Trade Policy**

– **World Trade Organization Negotiations:**
- Advanced Saskatchewan's negotiating objectives prior to the Geneva Mini-Ministerial meeting in July 2006 and reinforced our position following the re-launch of the negotiations in January 2007 (negotiations are ongoing).

– **Regional/Bilateral Negotiations:**
- Canada-South Korea Free Trade Agreement – reaffirmed Saskatchewan's key market access objectives with federal government during negotiations, particularly regarding agricultural exports; and

- NAFTA/SPP – continued to advance Saskatchewan's trade policy objectives under the SPP's trilateral work plan (negotiations are ongoing in all cases).

▷ **Internal Trade Policy**

– **Agreement on Internal Trade (AIT):**
- Saskatchewan negotiated accession to the 7th Protocol of Amendment on significant improvements to the AIT's dispute resolution mechanism; and,

- Saskatchewan continued to lead a Canada-wide working group looking at more effective enforcement of dispute panel rulings, and remained fully engaged in all other working groups in the Council of the Federation's work plan on internal trade (the work plan is ongoing).

– **Alberta-British Columbia Trade, Investment and Labour Mobility Agreement:**
- Saskatchewan undertook extensive internal analysis of, and commissioned several external economic studies on, the Alberta-British Columbia Trade, Investment and Labour Mobility Agreement (TILMA) as part of its 'due diligence' work on assessing the merits of the province negotiating accession to that agreement.

▷ **Other**

– **Web-based Trade Policy Consultation Mechanism:**
- The Department developed a prototype for a new web-based trade policy consultation mechanism. It is designed to improve the government's ability to interact with key provincial stakeholders on trade policy issues in real time. This will greatly assist the government in developing and refining the province's negotiating objectives in all domestic and international trade policy forums. The new mechanism is expected to be fully functional in FY 2007-08.

▶ Successfully defend/advance Saskatchewan measures/interests in existing/future trade disputes affecting key provincial interests (e.g., softwood lumber, wheat, oil seeds). [2006-07 planned result]

▷ **International Trade Disputes**

– **Wheat** – Free access to the U.S. market for wheat was secured in 2005-06, which stabilized that market for our exports, but Canada was subsequently compelled to take court action this year to challenge the U.S. government's refusal to refund all duties collected in the original trade action against

Canada. Saskatchewan strongly supported Canada's decision in this respect.

- **Cattle/Beef** – Notwithstanding several new cases of BSE in Canada, free access to the U.S. market for cattle and beef from animals under thirty months of age remains in place, but full market for all cattle and beef is not expected to occur until FY 2007-08 due to the slow pace of the U.S. Department of Agriculture's rule-making process.

- **Softwood Lumber** – Canada entered into a Softwood Lumber Agreement (SLA) with the U.S. in September 2006, thereby terminating its litigation against the U.S. duties under World Trade Organization and NAFTA dispute resolution rules. While our exporters' duties held by the U.S. during this dispute were returned, Canada agreed to replace the U.S. duties with an export tax and/or quota regime. The province appeared before a Commons Committee to protest the fact that Canada, through the SLA, was effectively 'freezing' Saskatchewan's market access to the U.S. at a level some 40 per cent lower than it actually was in 2000 before the latest dispute erupted. Since the SLA was agreed, its impact on Saskatchewan has been mitigated to some degree by the exit of our major lumber producer and exporter from the province.

▷ **Internal Trade Disputes**

- **Margarine/Dairy Blends** – Saskatchewan continues to press Quebec (measures related to the colour of margarine) and Ontario (measures to restrict the sale of dairy blends) to comply with panel rulings that came out in favour of Saskatchewan's position in both cases.

Measurement Results

At year end, the Department will post on the departmental website for public review assessments regarding the extent, it has achieved Saskatchewan's identified objectives in the trade policy area, including a quantitative estimate of the value of the incremental market access (not the actual volume/value of exports) achieved at the conclusion of any trade negotiations and/or dispute settlements.

With the exception of softwood lumber, all the other trade negotiations/disputes were ongoing as of March 31, 2007.

Goal 3. Respectful, effective municipal-provincial relationships that strengthen the quality of local governance for the benefit of Saskatchewan residents.

Objective 1. Department services and provincial funding that strategically assist municipal governments in governing and meeting the needs of their residents.

Municipalities benefit from Department advisory and professional assistance and funding in order to meet the needs of their residents. The Department works with the Saskatchewan Association of Rural Municipalities (SARM), the Saskatchewan Urban Municipalities Association (SUMA), the Rural Municipal Administrators Association of Saskatchewan (RMAAS), the Urban Municipal Administrators Association of Saskatchewan (UMAAS), and the New North – SANC (Saskatchewan Association of Northern Communities) to build planning and administrative capacity in municipalities and provide funding to ensure provincial and public interests are protected. The Department assists municipalities in building municipal leadership and administrative skills, compliance with legislation, regulations and financial requirements, developing community land use plans, zoning bylaws and subdivisions, and provides funding to address critical municipal infrastructure needs, such as water and sewer, and for municipal services.

Significant new funding was provided to municipalities under provincial revenue sharing and federal and provincial infrastructure programs to assist municipalities in providing services to their residents. Training sessions and support and advice were provided to councillors and administrators to improve local decision-making governance. The number of municipal planning bylaws did not increase because Department resources were allocated to the development of the *New Planning and Development Act, 2007* and related regulations and provincial interests in land use planning. The new planning Act and implementation of the Municipal Capacity Development Program should result in an increase

in the number and quality of municipal planning bylaws. Further progress was made regarding the administration of the Northern Revenue Sharing Trust Account, as recommended by the Provincial Auditor.

Key Results

- Provide $97.3 million in revenue sharing to municipalities to assist them in providing services to their residents. [2006-07 planned results] and [2006-07 Performance Plan Summary]

  - $97.3 million under provincial revenue sharing was paid out to urban, rural and northern municipalities, including $51.484 million to urban, $37.974 million to rural and $7.801 million to northern municipalities.

- Address critical municipal infrastructure needs through such programs as the Municipal Rural Infrastructure Fund (MRIF) and individual projects under the Canada Strategic Infrastructure Fund. The MRIF will provide $38 million of provincial funding over four years to match federal funding, with participating communities contributing one-half of the project costs, for a total potential investment of $152 million. For 2005-06 and 2006-07, under the MRIF, 94 projects have been approved for $13.5 million of provincial funding. The MRIF supports the Drinking Water Strategy and water conservation. [2006-07 planned results] and [2007-07 Performance Plan Summary]

  - **Federal Funding Programs:**
    - $12.9 million in federal and provincial funding was paid out under the MRIF for 79 municipal projects. $9.4 million of this funding went to 41 water and sewer projects to support the Safe Drinking Water Strategy.

    - $4.7 million in federal and provincial funding was paid out under the Canada Saskatchewan Infrastructure Program (CSIP) for 38 municipal projects. $3.9 million of this funding went to 32 water and sewer projects to support the Safe Drinking Water Strategy.

    - $202,820 in provincial funding was paid to the City of Saskatoon for the River Landing Phase 2 project under the Canada Strategic Infrastructure Fund.

  - **Other Provincial Funding:**
    - Under the Transit for the Disabled program, $2.37 million in provincial funding was provided to 76 communities in operating grants, and $275,000 in provincial capital grants was provided to five communities to replace five Transit Assistance for the Disabled vehicles.

    - $5.3 million in provincial funding was provided to municipalities under the Grants-in-lieu of Property Taxes program.

- Address critical northern municipal infrastructure needs by:
  - providing $3 million under the Northern Water and Sewer Program and $400,000 under the Northern Emergency Water and Sewer Repair Program and $300,000 for engineering water and sewer advice to northern communities; and

  - developing a long-term strategy to address northern water and sewer needs. [2006-07 planned results] and [2006-07 Performance Plan Summary]

  - $2.5 million in provincial funding was spent under the Northern Water and Sewer Program in 19 communities, of which $549,000 was MRIF and CSIP funding.

  - Under the Northern Emergency Water and Sewer Repair Program, $377,000 was spent in six communities.

  - $528,000 was spent on engineering operating and maintenance advice to northern communities on water and sewer systems.

  - An assessment on the water and sewer needs of the northern communities was completed in 2006, identifying the work needed to each of the systems along with cost estimates of about $50 million needed over the next seven to eight years.

- Under the New Deal, allocate funding to municipalities, assist in municipal reporting requirements to the federal government and, if continued by the new federal government, participate in a federal/provincial/municipal

committee to develop further areas of collaboration. [2006-07 planned results] and [2006-07 Performance Plan Summary]

- ▷ $16.2 million of federal funding under the flow-through of federal gas tax revenue for municipal infrastructure was paid to 245 municipalities for environmentally sustainable infrastructure projects and capacity building projects.

- ▷ The federal-provincial-municipal New Deal Partnership Committee, responsible for oversight of the New Deal program implementation, recommended that short line railways should be eligible under the program and identified priorities for further collaboration.

- ▶ Negotiate and implement a bilateral agreement with the federal government to provide $25 million in federal public transit funding for municipalities. [2006-07 planned results] and [2006-07 Performance Plan Summary]

  - ▷ The federal government provided a total of $39.7 million for public transit purposes under two separate arrangements. On March 31, 2006, a bilateral agreement was signed for approximately $12.5 million in federal public transit funding for the seven cities with existing public transit systems. In the fall of 2006, an additional $27.2 million of federal funds was provided under a Public Transit Capital Trust for cities to assist them in supporting capital investments in public transit infrastructure.

  - ▷ $40.0 million of federal public transit funding was paid to the cities, which includes $875,000 of imputed interest earnings. Funding of $510,000 was set aside to assist cities without public transit systems in assessing the feasibility of a new system and with start up capital costs.

- ▶ Implement the Regina and Saskatoon urban development agreements to address priority areas based on intergovernmental co-ordination. [2006-07 planned results] and [2006-07 Performance Plan Summary]

  - ▷ $418,750 was paid to the City of Regina for the Regina Exhibition Association/IPSCO Place rejuvenation study and the North Central Community study on shared facilities.

  - ▷ $348,200 was paid to the City of Saskatoon for Saskatoon Ideas Inc., the Avenue K project and Cosmopolitan Industries for a recycling project.

- ▶ Continue to implement the Northern Revenue Sharing Trust Account strategic plan to address recommendations by the Provincial Auditor. [2006-07 planned result]

  - ▷ The NRSTA strategic plan, business plan and budget for 2007 were developed and approved.

  - ▷ The NRSTA policy and procedures manual was reviewed and updated.

  - ▷ The 2006 NRSTA financial statement was prepared and tabled on time along with an annual report.

- ▶ Continue to implement and evaluate as a pilot project a Northern Advisory Planning Commission in the La Ronge area that is responsible for land use issues. [2006-07 planned results]

  - ▷ The Northern Advisory Planning Commission was established consisting of members from the Lac la Ronge Indian Band, the town of La Ronge, the Village of Air Ronge, and the surrounding area. The Commission met 10 times and worked with staff from Saskatchewan Government Relations, Saskatchewan Environment and Saskatchewan Northern Affairs in drafting the land use plan and development controls for the area.

- ▶ Assist and support the Great Sand Hills Planning District Commission and affiliated municipalities to support the recommendations of the Great Sand Hills Land Use Strategy. Review and continue to participate in the Regional Environmental Study to ensure municipal interests are addressed. [2006-07 planned results]

  - ▷ The Department continued to work with the Great Sand Hills Planning Commission and affiliated municipalities and participate in the Regional Environmental Study.

- Continue to work with SaskWater and municipalities on watershed plan implementation to ensure that the commitments under the Safe Drinking Water Strategy are met and that municipalities establish provisions for source water protection. [2006-07 planned results]

  - The Department worked with the Saskatchewan Watershed Authority and the technical advisory committees on the development of a number of watershed plans and participated in a workshop in conjunction with the Association of Professional Community Planners of Saskatchewan to provide information to municipalities on how to implement water source protection with local municipal bylaws.

- Assist municipalities in complying with legislation and regulations. [2006-07 planned result]

  - The Department:
    - consulted on and approved two new official community plans and zoning bylaws in 2007 and 240 related amendments;
    - consulted with municipalities and other government agencies during the review and approval of 2,461 subdivisions; and
    - continued to provide advisory services to municipal officials and the public to assist them in maintaining and enhancing local autonomy and accountability and complying with legislation and regulations.

- Continue to work with municipalities to file electronic financial statements on time that meet Public Sector Accounting Board (PSAB) standards. [2006-07 planned results]

  - The Department worked with the municipal sector on meeting PSAB standards for financial statements, including developing guidelines and providing assistance on meeting upcoming PSAB capital asset reporting requirements, beginning in 2009.

- Build municipal capacity by enhancing municipal governance, planning and administration learning opportunities through:
  - the municipal leadership development program; and
  - providing planning, administrative and technical advice. [2006-07 planned result]

  - Through a partnership management committee with the municipal sector, coordinated by the Department, 24 Municipal Leadership Development Program workshops were delivered to 503 municipal officials. Of these workshops, six were directly conducted by Department staff.

  - 23 other municipal administration technical information sessions and workshops were delivered to 1,555 municipal officials.

  - For northern municipalities, workshops were held for municipal staff on municipal election procedures. Following the elections, workshops were conducted for newly elected municipal councillors to acquaint them with their roles and responsibilities.

  - Working with Northlands College, development of a training program for northern municipal administrators was developed for implementation in fall 2007.

- Focus providing services to municipal officials and the general public through web-based resources, including:
  - on-line planning and advisory information;
  - on-line regulatory reviews; and
  - portals to other information and services. [2006-07 planned result]

  - 55 new web-based resource publications and materials were developed and existing web-based resource materials were maintained and updated as required. Information was developed on stakeholder consultations, new planning legislation and legal obligations to consult with First Nations, when land use decisions may impact Treaty Rights. Also, information on the Department's financial assistance programs was updated.

  - The format of the ComMuniLink website was redesigned and the Saskatchewan Municipal Awards program was added.

Measurement Results

Number and percent of municipalities whose financial reporting statements are compliant with the Public Sector Accounting Board (PSAB) standards, filed on time and electronically (broken down by southern and northern municipalities).

	2002 Reports	2003 Reports	2004 Reports	2005 Reports
Southern Municipalities				
• Compliance with PSAB	538 (72%)	795 (100%)	788 (100%)	784 (100%)
• Filed on time	745 (93%)	778 (98%)	676 (86%)	693 (88%)
• Filed electronically	0	0	0	0
Northern Municipalities				
• Compliance with PSAB	0	16 (67%)	10 (41%)	10 (41%)
• Filed on time	7 (30%)	9 (38%)	9 (38%)	9 (38%)
• Filed electronically	0	0	0	0

Data source: The financial statements data file maintained by the Department. The financial statements are provided by the municipalities.

Financial information must be compliant with PSAB standards. The Canadian Institute of Chartered Accountants sets PSAB accounting standards for public sector financial reporting. The Provincial Auditor has repeatedly called for these standards. Filing information that meets the PSAB standards and that is on time (by September 1 of the following year) contributes to timely municipal accountability and transparency to the ratepayers and good local government. Electronic information is more efficient. This information is also used by the Department to allocate funding to the municipalities. The Department monitors the financial information to ensure it is filed in accordance with the legislation, follows up on missing reports and assists the municipalities in filing the required information. Penalties can be applied if there is non-compliance.

The Department was able to maintain 100 per cent compliance with PSAB standards for southern municipalities. For northern municipalities, no progress has been made. It is more difficult to hire trained administrators in northern Saskatchewan communities. The new training program for northern municipal administrators to be implemented in the fall 2007 will help build municipal administrative capacity. Meeting new PSAB capital asset reporting requirements by 2009 will be a challenge for both southern and northern municipalities. The Department is supporting this effort.

Number and percentage of municipalities with planning bylaws in place.

2003	2004	2005	2006
416 (51%)	456 (56%)	475 (59%)	475 (59%)

Data source: The Department's Community Planning Branch files.

A community plan can provide a vision of goals, objectives and principles that can contribute to building a stronger community. While municipalities are not required to have community planning bylaws, effective planning can co-ordinate infrastructure and services, support accountability and transparency, encourage economic development and promote sustainable environmental resource management. The Department is responsible for promoting and overseeing community planning and development policies in Saskatchewan that facilitate economic opportunities through municipal and community

development processes. Some municipalities may not have the capacity or resources to develop and administer municipal planning bylaws.

In 2006, no new municipal planning bylaws were prepared. Department resources were allocated to development of the new *Planning and Development Act, 2007* and related regulations and provincial interests in land use planning. Implementation of the new *Planning and Development Act, 2007* and related regulations, and the new Municipal Capacity Development Program and funding should result in more municipalities establishing bylaws.

Objective 2. A respectful and positive relationship between the provincial government and municipal partners and other interest groups.

A respectful and positive relationship is required between the provincial government and its municipal partners, the federal government, and other interest groups to be able to work together in a collaborative manner to ensure that the needs of Saskatchewan residents are met. The Department works with SUMA, SARM, New North-SANC, the Provincial Association of Resort Communities (PARCS), RMAAS, UMAAS, the cities and other organizations to promote open communication.

The relationship with the municipal sector continues to improve. Development of the Municipal Sector Strategic Plan was jointly undertaken with the municipal sector to build on the provincial and municipal sector relationship. The Sector Plan will build relationships with the municipal associations and the senior administrative level in cities and other municipalities, to better understand and address municipal needs. Also under the Municipal Sector Strategic Plan, the Department will work with other provincial departments and agencies and the municipal sector to identify and address key municipal issues and opportunities.

Key Results

- Work with the cities and SUMA to develop an urban agenda that supports urban municipal issues and priorities and provincial interests. [2006-07 planned results]

  - The municipal sector and the provincial government agreed to work together to develop a Municipal Sector Strategic Plan that includes, developing a policy-based approach for providing long-term, predictable and sustainable operational funding to municipalities that will be used for development of the province's 2008-09 budget. Other key aspects of this initiative are development of a long-term sustainable approach to funding infrastructure and engaging provincial departments and agencies and the municipal sector in addressing common priorities, issues and opportunities. Five separate discussion tables were established – each representing a component of the municipal sector. An urban agenda will be a large part of the Sector Plan.

  - Work was undertaken to establish a municipal-department committee to develop a Municipal Asset Information System to provide the government with the needed infrastructure information to plan for provincial funding and support negotiations for federal funding for municipal infrastructure, and to meet municipal asset information needs. The Department contracted a consulting firm to undertake research and develop a proposed concept for a Municipal Asset Information System for committee discussion. A report was provided in March 2007. This work is being coordinated with the PSAB capital reporting requirements for municipal financial statements to ensure no duplication of efforts.

- Work with SARM under its Clearing the Path initiative on the development of sector specific planning committees and a primary weight road network to remove impediments to rural economic development. [2006-07 planned results]

  - In partnership with the three municipal associations and the federal government, the Municipal Capacity Development Program was established to provide three resource staff to assist municipalities in developing joint infrastructure projects and inter-jurisdictional plans.

  - The Department undertook a review on the use of municipal roads for a primary weight road corridor system and by the heavy oil

industry and other industries, such as mining and forestry, which supports the provincial economy and revenues. As a result of this review, the government provided funding in its 2007-08 budget to assist municipalities in upgrading and maintaining roads that are a part of the primary weight road corridor system and to construct municipal roads to support Saskatchewan industries.

- Continue to use the Municipal Forum for joint planning and consulting with the municipal sector to advance key priorities and to ensure federal government discussions with the municipal sector are tripartite dialogues that include the provincial government. [2006-07 planned results]

  - Four Municipal Forums were coordinated with SUMA and SARM to discuss issues such as education tax on property, municipal funding, the provincial highway strategy, and development of the Municipal Sector Strategic Plan.

- Continue to use the revamped Northern Roundtable for joint planning, consulting and collaborating with northern municipalities to advance key priorities involving the municipal sector. [2006-07 planned results]

  - Two Northern Roundtable meetings were held between northern leaders and provincial government ministers and senior departmental officials to discuss northern priority issues.

  - A formal administrative consultation meeting was held between the New North Executive Board and senior staff of the Department.

- Co-ordinate formal sessions of the Department-Municipal Steering Committee of Senior Executives to develop programs, services and partnerships. [2006-07 planned results]

  - Three formal sessions of the Municipal Programs and Services Steering Committee were held to discuss matters such as the ongoing partnership delivery of the Municipal Leadership Development Program, the Federal Gas Tax Program, and the review of *The Planning and Development Act, 1983.*

  - The new Saskatchewan Municipal Awards Program was developed and implemented in partnership with SARM, SUMA, UMAAS, RMAAS and SANC to recognize and support municipal excellence.

- Continue to work with municipal partners to address municipal governance and administration issues. [2006-07 planned results]

  - In partnership with the three municipal associations and the federal government, the Municipal Capacity Development Program was established that provides three resource staff to assist municipalities in developing joint infrastructure projects and inter-jurisdiction plans.

  - The Department facilitated the voluntary reversion of nine former villages into neighbouring RMs by providing technical and public consultation assistance to the 18 municipalities involved.

- Consult with the municipal sector and other parties on legislation and regulations under development. [2006-07 planned results]

  - Consultations were held with the municipal sector and other parties were undertaken on the new *Planning and Development Act, 2007* and on changes to municipal liabilities provisions and the new SAMA funding plan.

  - Consultations began on the review of *The Northern Municipalities Act.*

(See key results on legislation and regulations under Objectives 3 and 4.)

Measurement Results

The performance measure previously associated with this objective has been eliminated because of its limited value and significant cost to conduct the survey. New performance measures are under development.

Objective 3. A legislative framework that provides clear municipal and provincial responsibilities and balances local autonomy with provincial and public interests.

For efficient and effective government, it is important that the roles and responsibilities of local governments and the provincial government are clearly defined in legislation, that local governments have the authority and flexibility to deal with local issues and that provincial involvement is removed where there is no overriding provincial interest. At the same time, local governments should be accountable and public interests must be protected. The Department consults with SARM, SUMA, RMAAS, UMAAS, New North-SANC, the cities and other organizations regarding legislative changes.

Progress in 2006-07 has been significant. A new *Planning and Development Act, 2007* was developed and passed in the Legislative Assembly that includes incorporating provincial interests in municipal planning bylaws. Also, the review of *The Northern Municipalities Act* is well underway to clarify municipal and provincial responsibilities, balance local autonomy with provincial and public interests, and meet current and future needs of northern communities and citizens.

Key Results

- As part of phase 2 renewal of *The Planning and Development Act, 1983*, consult on and implement legislative changes to enable economic and community development, enhance planning tools for municipalities and opportunities for inter-municipal planning, identify provincial interests, and support initiatives, such as the Safe Drinking Water Strategy, New Deal and SARM's Clearing the Path. [2006-07 planned results]

  - Major public consultations on a new *Planning and Development Act, 2007* were completed in 2006 and the act was passed in the spring 2007 Legislative Session and received royal assent on March 21, 2007. Significant new provisions in the legislation include incorporation of provincial interests in municipal planning, a new corporate model for District Planning Authorities that can include other governments and government agencies, and content requirements for municipal land use bylaws, including protecting water sources.

- Review and amend *The Northern Municipalities Act* to modernize it. The overall goal for the review of the Act is to ensure that it meets the current and future needs of northern communities and citizens. [2006-07 planned results]

  - A review committee comprised of northern municipal leaders and officials and Department officials was formed in early 2006. The northern municipal representatives were recommended by New North and represent northern Saskatchewan and communities. The review committee met several times in La Ronge and progressed in its detailed review of the act.

- Implement a new Lloydminster Charter that provides the city with natural person powers and spheres of jurisdiction and establishes public accountability requirements, similar to *The Cities Act*. [2006-07 planned results]

  - Alberta is developing a draft Lloydminster Charter. Once the draft has been completed, it will be sent to Saskatchewan and to the City of Lloydminster for review and final negotiations. The Charter will be implemented by complementary orders-in-council by both Saskatchewan and Alberta.

- Complete the review of the liability provisions in the three municipal Acts and introduce legislation and other changes to implement decisions. [2006-07 planned results]

  - Following the recommendation of the Municipal Liability Review Committee and extensive consultations, amendments were made to *The Cities Act* and *The Municipalities Act* and were passed in the spring 2007 session of the Legislative Assembly that update and enhance the municipal liability provisions in legislation.

  - Amendments relating to liability in *The Northern Municipalities Act* (NMA) will be incorporated into the review of the NMA that is currently taking place.

Measurement Results

The ability of the Department to gauge progress in achieving this objective is limited by the policy-oriented nature of the objective. Performance measures in this respect remain under development.

Objective 4. A property tax system that is fair, transparent and understandable and reflects provincial interests.

Each year, approximately $1.3 billion is collected by municipalities in municipal and school property taxes. It is important that the property tax system is fair and understood by Saskatchewan people. The Department works with SUMA, SARM, UMAAS, RMAAS, SAMA and commercial and residential groups to ensure appropriate tax tools are available to the municipalities and to set percentages of value for revaluations, and to provide advice to Government on the funding, structure, transparency and accountability of SAMA.

Significant progress was made in 2006-07. A long-term, sustainable financial plan for SAMA has been developed and is being implemented, work with the Department of Learning has resulted in further education property tax relief for Saskatchewan people, that provides full access to detailed assessment data from assessment service providers without having to file an appeal, and development of the property tax model is underway in preparation for the 2009 revaluation.

Key Results

- Work with Saskatchewan Learning, SAMA, municipalities and school boards to develop a long-term, sustainable financial plan for SAMA. [2006-07 planned results]
  - A new funding scheme was developed with government departments and SAMA, with consultations with SUMA, SARM, New North and the Saskatchewan School Boards Association, to provide long-term, sustainable and principle based funding for SAMA. The new funding will be a shared responsibility among all stakeholders, where over time the funding proportions will reach 40 per cent-30 per cent-30 per cent for the province, municipalities and school divisions, respectively.
  - As part of the funding scheme, the provincial government announced as part of the 2007-08 budget $826,000 for SAMA to ensure the overall integrity of the property tax base.
  - SAMA's future funding requirements will be determined based on a four-year funding plan that coincides with the legislated four-year revaluation cycle.
- Assist Saskatchewan Learning with the implementation of education property tax relief ($55 million to all ratepayers and an additional $52.8 million to agricultural property ratepayers). [2006-07 planned results]
  - The Department assisted Learning in providing $55 million to all ratepayers (eight per cent tax credit) and an additional $52.8 million to agricultural property ratepayers (38 per cent tax credit), and in developing further tax relief for property ratepayers.
  - The government announced in the 2007-08 budget that it will continue with the education property tax relief of $107.8 million and increase the tax credit for non-agricultural properties from eight per cent to 10 per cent for 2007 and 2008, and maintain the agricultural properties 38 per cent education property tax credit for 2007.
  - Work is underway for long-term, sustainable property tax relief that meets the best interests of students and taxpayers.
- Continue to monitor local government property tax tools in conjunction with implementation of the 2005 revaluation and collaborate with the Department of Learning and other departments to develop recommendations regarding property tax tools. [2006-07 planned results]
  - The Department has not received any complaints from ratepayers concerning tax tools since the 2005 revaluation was implemented.
  - The lack of authority for municipalities outside of cities to establish subclasses was examined based on municipal requests that this could provide financial assistance for infrastructure development for industries, such as roads. Instead of subclass changes, the government provided funding in its 2007-08 budget to support rural roads.
- Amend the *Assessment Management Agency Act, The Cities Act* and *The Municipalities Act* in 2006 to facilitate the market value system with revaluation in 2009. [2006-07 planned results]

- ▷ The amendments to these Acts were passed in the spring 2006 session of the Legislative Assembly, providing assessment service providers with the legislative changes they require to implement the 2009 revaluation.

- ▶ Develop a new computer model to project property tax shifts arising from revaluations and analyze options for provincial property tax policy. [2006-07 planned results]

  - ▷ Provincial funding was committed to the development of the new property revaluation shift model. A contract was put in place with Municipal Tax Equity Consultants Incorporated to develop the model. Phase 1 analysis and design was completed and the project deliverables to meet the model requirements was finalized. Phase 2 began and implementation is planned for October 1, 2007.

Measurement Results

The performance measure for this objective does not specifically measure fairness of the property tax system, how understandable it is and whether provincial interests are being achieved. Provincial, social and economic interests are achieved by implementing provincial government percentages of value for property classes. It is difficult to develop specific measurements of fairness and understandability of the property tax system that would be reasonably easy to implement and meaningful to the public. New performance measures are under development.

Percentage of people that have full access to detailed assessment data without having to file an appeal (subject to confidentiality legislation that protects personal information).

Baseline – 2003	2004-05 actual results achieved as at March 31, 2005	2005-06 actual results achieved as at March 31, 2006	2006-07 actual results achieved as at March 31, 2007
18%	18%	98%	100%

Data source: Survey conducted by the Department.

Currently there are six assessment service providers serving municipalities across the Province. For 2001, none of the assessment service providers provided full public access to detailed assessment data (exception is the City of Regina which allowed access to residential information only). In 2002, due to Court of Queen's Bench and Board of Revision challenges, all data was made accessible once an appeal was launched.

Progress continues under this performance measure. In 2006-07, all Saskatchewan people have access to detailed assessment data without having to file an appeal. With full access to the detailed assessment information, property tax payers can determine how the assessor calculated the fair value of their property. This is consistent with the principle of transparency. Transparency of information strengthens the property taxpayers' understanding of the assessing authorities' determination of their fair value assessment.

Property tax payers can use this information to determine whether their property was valued fairly and accurately and whether an appeal should be undertaken.

Goal 4. Saskatchewan's identity, heritage and the achievements of our people are honoured, promoted and celebrated.

Objective 1. The Province's recognition programs and symbols are reflective of our Province's diversity.

It is important to have recognition programs ceremonial occasions and visible symbols in our society that reflect Saskatchewan's diversity. Recognition programs are a way of bestowing public recognition on deserving citizens who contribute to the well-being of society. Ceremonial occasions are a means of promoting Saskatchewan's identity as well as our economic and cultural interests.

The Saskatchewan Honours and Awards Program recognized many Saskatchewan people, and individuals from outside our province who have made significant contributions. The province's honours and awards include, the Saskatchewan Order of Merit, the Saskatchewan Volunteer Medal, the Saskatchewan Protective Services Medal, the Saskatchewan Centennial Medal, the Saskatchewan Distinguished Service Award and the Premier's Award for Excellence in the Public Service, The Saskatchewan Youth Award has been launched, and it is anticipated that the nominations received will reflect the Province's diversity.

Diversity of nominations (e.g. women, Aboriginal and rural/small urban) in the provincial Honours and Awards Program is a challenge and the Office of Protocol and Honours continues to work toward accomplishing this objective. There was a decrease in the percentage of women being nominated for provincial honours, mainly for the Saskatchewan Volunteer Medal compared to the previous year's results, which is primarily due to the influx of nominations during the 2005 Centennial year. There was a decrease in the number of Aboriginal nominations overall, which has been an area identified for targeted outreach. A focussed approach is needed in order to successfully reach Aboriginal and visible minority groups.

The Provincial Secretary Division maintains appropriate policies associated with provincial emblems, as outlined in *The Provincial Emblems and Honours Act.*

Key Results

- Co-ordinate, promote and manage the Saskatchewan Protective Services Medal. [2006-07 planned result]

  - The Department successfully coordinated and managed the program, and has completed those presentations to recipients that had been backlogged due to the large number of nominations received during the initial launch.

- Actively promote, co-ordinate and manage the Premier's Award for Excellence in the Public Service to all eligible departments and agencies. [2006-07 planned result]

  - The Office of Protocol and Honours corresponds and meets with officials of eligible departments and agencies to create an awareness of the Premier's Award for Excellence in the Public Service and to encourage nominations. Nominations from a variety of eligible departments and agencies have been received. Feedback from recipients, nominees, public servants and elected members has been positive.

- Implement the Saskatchewan Youth Award. [2006-07 planned result] and [2006-07 Performance Plan Summary]

  - A total of 26 nominations have been received. The first intake of recipients will be awarded in 2007.

Measurement Results

Proportion of Aboriginal people, women and rural/small urban in honours and nominations.

Baseline – March 31, 2003	2004-05 actual results achieved as at March 31, 2005	2005-06 actual results achieved as at March 31, 2006	2006-07 actual results achieved as at March 31, 2007
Aboriginal 5%	Aboriginal 4.5%	Aboriginal 4.3%	Aboriginal 3.3%
Women 37%	Women 34.5%	Women 39%	Women 35%
Rural/small urban 27%	Rural/small urban 33%	Rural/small urban 31.5%	Rural/small urban 28.5%

Data source: Actual nominations received, as recorded by the Department.

Our population is comprised of a number of diverse groups, among them Aboriginal people, women and those in rural and small urban areas. 2001 statistics indicate that 54 per cent of Saskatchewan's population live in the 13 cities and 46 per cent live in smaller communities and rural Saskatchewan (This urban/rural definition differs from that noted in the 2005-06 Performance Plan due to a variation in sources. The definition currently used is: Urban – 13 Saskatchewan cities with a population of 5,000 or greater; Rural – the remainder of Saskatchewan's population residing in towns, villages, resort villages, districts and hamlets.) By measuring the number of nominations received from these various groups for the Saskatchewan Order of Merit and the Saskatchewan Volunteer Medal, we will have an indication of how well these programs reflect the diversity in our population.

The Premier's Award for Excellence in the Public Service: Number of nominations received and number of departments represented in nominations.

Baseline – March 31, 2004	2005-06 actual results achieved as at March 31, 2006	2006-07 actual results achieved as at March 31, 2007
41 nominations from 16 departments/agencies	30 nominations from 19 departments/agencies	22 nominations from 13 departments/agencies

Data source: Actual nominations received, as recorded by the Department.

Our public servants come from a variety of backgrounds. By measuring the number of nominations received and the number of awards bestowed, we will have an indication of whether this program reflects the diversity of departments within the public service. In 2006-07, plans are to actively promote the award throughout Saskatchewan.

The Saskatchewan Protective Services Medal: The number of nominations received and the number of eligible agencies represented in nominations.

Baseline – March 31, 2004	2005-06 actual results achieved as at March 31, 2006	2006-07 actual results achieved as at March 31, 2007
497 nominations received	27 nominations received	110 nominations received
9 out of 11 eligible agencies represented	9 out of 11 eligible agencies represented	8 out of 12 eligible agencies represented

Data source: Actual nominations received, as recorded by the Department.

Individuals who work in areas that protect Saskatchewan people and property come from a diverse population throughout the Province. By measuring the number of nominations received and the number of awards bestowed, we will have an indication of how this program reflects the diversity of agencies within the Province.

Eligible protective service agencies are:

- Fire service – career, volunteer, forest protection, airport, fire protection
- Police service – RCMP, municipal, CN and CP, Wascana Centre, Legislative Assembly, agencies created under *The Saskatchewan Act*
- Canada Border Services Agency
- Citizenship and Immigration Canada
- Emergency Medical Services
- Canadian Forces – Regular Force, Primary Reserve, Canadian Rangers
- Saskatchewan Environment and Parks Canada – Conservation Officers
- Saskatchewan Corrections and Public Safety
- Correctional Service of Canada
- Saskatchewan Highways and Transportation – Transport Compliance Branch
- Canadian Security and Intelligence Service
- Saskatchewan Justice – Sheriffs, Deputy Sheriffs and Investigators in the Safer Communities and Neighbourhoods Unit

Objective 2. Government House Museum and Heritage Property is a preferred historic destination in Saskatchewan.

Preservation and celebration of historical information and artifacts is an important way to honour our past. Government House Museum and Heritage Property is a National Historic Site that had a significant role in shaping the political and social character of Western Canada as the west developed during the late nineteenth and early twentieth centuries. Government House Museum and Heritage Property serves as a landmark and legacy for residents of Saskatchewan.

2006-07 results indicate a reduction in general visitation by nine per cent. This figure corresponds directly to February 2007 projections by the Conference Board of Canada that tourism in Canada may experience a 10 per cent decrease in U.S travels to Canadian destinations during the 2006-07 year. In fact, public tours declined at Government House Museum and Heritage Property by 22 per cent, which accounts for almost the entire nine per cent decrease in overall visitation. This decrease may be explained by the October 2006 closure of the neighboring RCMP Museum coupled with the decrease in U.S. travelers to Canada. Students that attended Government House education programs increased by 11 per cent. The Conference Board of Canada continues to project significant decreases in U.S. travel to Canada into 2008-09. Government House tourism is expected to rebound in 2007-08 with the May 2007 re-opening of the neighboring RCMP Heritage Centre.

Key Results

- ▶ Promote, market and celebrate Government House Museum and Heritage Property as a tourism destination point. [2006-07 planned result]
  - ▷ A total of 8,148 tourists visited Government House Museum and Heritage Property and 4,579 students attended our education programs.
- ▶ Poll/survey Saskatchewan residents and tourists to ensure promotional materials are broad-based and educational. [2006-07 planned result]
  - ▷ During 2003-04, a detailed survey was developed to poll Government House visitors/tourists as a method to determine the effectiveness of marketing and promotional efforts. Individuals have been surveyed annually during the summer months since 2003.

- Promote the Government House Centennial Project addition as an important Saskatchewan legacy with expanded facilities for education, tourism and hospitality. [2006-07 planned result]

  - Education program attendance was a focussed effort, which resulted in an 11 per cent increase in student participation.

- Incorporate the new J.E.N. Wiebe Interpretive Centre into client experiences and promotional opportunities. [2006-07 planned result]

  - A brochure was developed promoting the J.E.N. Wiebe Interpretive Centre targeting provincial-wide tourist information kiosks.

- Enhance the Government House education programs by featuring the history of Canadian governance, the Crown, the role of the Lieutenant Governor and the history of treaties. [2006-07 planned result]

  - In partnership with the Government House Foundation, Cameco and Saskatchewan Learning, an interactive educational game, *"It's Democracy"*, was developed focussing on related curriculum-based learning and is expected to be completed and launched in 2007.

- Analyze the types of marketing vehicles that attract visitors and tourists to Government House Museum and Heritage Property. [2006-07 planned result]

  - The Government House summer visitor survey is continually consulted to enhance marketing strategies. Visitor statistics clearly determine how individuals and groups find their way to the facility. Annual visitation remains constant, with slight increases over the last four years, but visitor types fluctuate significantly. Therefore, it has been determined that a variety of marketing vehicles should be utilized.

Measurement Results

Awareness of Government House Museum and Heritage Property

Government House did not participate in any polls this year. Consequently, data for this year is unavailable. New performance measures in relation to this objective are presently under development.

Summary of Expenditures

The following table summarizes budgeted versus actual expenditures by subvote and subprogram. Variance explanations are provided for all variances that are greater than 5% and $100,000.

In thousands of dollars **Subvote/Subprogram**	**Original Estimates**	**Actual Expenditures**	**Variance Over/(Under)**	
GR01 Central Management and Services	**5,004**	**4,862**	**(142)**	
GR04 Intergovernmental Relations	**2,704**	**2,630**	**(74)**	
Canadian Intergovernmental Relations	803	650	(153)	1
International Relations	944	958	14	
Trade Policy	538	529	(9)	
Office of French-language Co-ordination	419	493	74	
GR07 Municipal Financial Assistance	**153,009**	**135,064**	**(17,945)**	
Urban Revenue Sharing	51,484	51,380	(104)	
Rural Revenue Sharing	37,974	37,995	21	
Northern Revenue Sharing	7,801	7,801	0	
Canada-Saskatchewan Infrastructure Program	6,000	4,712	(1,288)	2
Transit Assistance for the Disabled	2,650	2,650	0	
Grants-in-Lieu of Property Taxes	11,500	10,814	(686)	3
SAMA (Authorized by Law)	4,000	4,000	0	
SAMA (Supplementary)	1,835	1,835	0	
Municipal Rural Infrastructure Fund	23,765	12,907	(10,858)	2
Canada Strategic Infrastructure Fund	5,000	203	(4,797)	2
Urban Development Agreements	1,000	767	(233)	4
GR08 Municipal Relations	**5,263**	**5,350**	**87**	
GR10 New Deal for Cities & Communities	**30,229**	**56,410**	**26,181**	
New Deal for Cities and Communities	17,729	16,420	(1,309)	5
Public Transit Program	12,500	39,990	27,490	6
GR03 Provincial Secretary	**2,058**	**2,138**	**80**	
Lieutenant Governor's Office	460	589	129	7
Office of Protocol and Honours	1,115	1,037	(78)	
Government House	483	512	29	
GR06 Saskatchewan Municipal Board	**1,137**	**1,076**	**(61)**	
Administration – Local Government Committee	776	787	11	
Planning Appeals Committee	94	75	(19)	
Assessment Appeals Committee	267	214	(53)	
Total Appropriation and Expenses	**199,404**	**207,530**	**8,126**	
Capital Assets	**3**	**4**	**1**	
Capital Asset Acquisitions	0	0	0	
Capital Asset Amortization	3	4	1	
Total Expenses	**199,407**	**207,534**	**8,127**	

Explanation of Major Variances

2006-07 Results:

1. Under expenditure is primarily related to vacant positions and miscellaneous operating and grant under expenditures.
2. Under expenditure is a result of project start or completion delays due to unfavorable weather conditions, delays in signing agreements and availability of contractors.
3. Under-expenditure resulting from re-assessment and change in property status.
4. Lower than anticipated project costs.
5. Under-expenditure due to projects not approved or advanced.
6. Supplementary funding received from the Public Transit Capital Trust.
7. Over expenditure primarily a result of costs associated with the installation of the new Lieutenant Governor, development of a new Congratulatory Message Database program, and the Lieutenant Governor's Youth Leadership Forum.

Summary of Revenues

The Department's major revenue relates to cost share agreements with the federal government. All revenue collected is deposited in the General Revenue Fund. A summary of the Department's 2006-07 budgeted revenue compared to actual revenue is presented below. Variance explanations are provided for all variances that are greater than $100,000.

In thousands of dollars **Revenue Category**	**Budget**	**Actual Revenue**	**Variance Over/(Under)**	
Revenue				
Other Licenses and Permits	**272**	**402**	**130**	
Subdivision Fees	270	396	126	1
Property and Building Rental	2	6	4	
Other Revenues	**5**	**77**	**72**	
Refunds – Previous Years Expenditures	5	77	72	
Sales, Service, Service Fees	**290**	**442**	**152**	
Management Fees	200	400	200	2
Debenture Authorization	25	35	10	
Miscellaneous Services	3	7	4	
Other Service Fees	62	0	(62)	
Transfers from the Federal Government	**45,797**	**27,188**	**(18,609)**	
Canada-Saskatchewan Infrastructure Program	3,000	2,360	(640)	3
Municipal Rural Infrastructure Fund	12,025	6,612	(5,413)	3
OFLC – Official Languages Agreements	252	286	34	
Cold Lake Air Weapons Range Agreement	90	0	(90)	
Employability Assistance	201	201	0	
New Deals for Cities & Communities	17,729	17,729	0	
Public Transit Program	12,500	0	(12,500)	4
Department Revenue	**46,364**	**28,109**	**(18,255)**	

Explanation of Major Variances

1. Increased subdivision activity for new cottage lot development.
2. Management fees charged to the Northern Revenue Sharing Trust Account for 2005-06 were inadvertently omitted from year-end accounting entries and are therefore recorded as revenue in the 2006-07 year.
3. Decrease as a result of project start or completion delays (due to delays in signing agreements, weather, availability of contractors, and environmental assessments).
4. The anticipated second installment of $12.5 million for the Public Transit Program was replaced in September, 2006 by a new Federal Public Transit Capital Trust program. Revenue transferred to the Province under this new program has been recorded by Saskatchewan Finance.

Financial Accountability Statement

From a fiscal accountability perspective, Government Relations is responsible for ensuring:

- available funding goes to the highest priority needs;
- value is obtained for the money provided;
- compliance with existing legislation and regulations;
- proper controls are in place to safeguard public assets; and
- appropriate results are reported to the public and the legislature.

There are a number of checks and balances in place to ensure these responsibilities are met. They include:

- *Audited Results* – The Provincial Auditor's Office has legislative responsibility to audit Government Relations and to publish the results.
- *Accountable to Legislature* – Government Relations, like all government departments, is required to appear before the Public Accounts Committee of the Legislature. In addition, the Department's annual budget is published in the government's Budget Estimates. Other departmental spending is detailed in the Public Accounts, and the Minister of Government Relations appears before the Legislature's Committees in relation to the Department Budget Estimates.
- *Public Reporting* – The Annual Report is one of several documents published by the Department that helps to establish accountability.

For More Information

Additional information about Government Relations is available at our website: http://www.gr.gov.sk.ca. The website includes both general and more detailed information about the Department, its programs and services, and legislation for which the Department is responsible.

For more information about Government Relations, or to provide feedback about the Department's 2006-07 Annual Report or performance results, please contact us at:

Phone: (306) 787-2635
Email: info@gr.gov.sk.ca

Mailing address:
Government Relations
14th Floor, 1855 Victoria Avenue
Regina SK S4P 3V7

Appendix – Legislation

Acts and Regulations which are the responsibility of the Minister of Government Relations or the Provincial Secretary:

Municipal

- *The Assessment Appraisers Act*
- *The Assessment Management Agency Act*
- *The Border Areas Act*
- *The Cities Act*
- *The City of Lloydminster Act*
- *The Community Planning Profession Act*
- *The Controverted Municipal Elections Act*
- *The Cut Knife Reference Act*
- *The Department of Rural Development Act*
- *The Department of Urban Affairs Act*
- *The Flin Flon Extension of Boundaries Act, 1952*
- *The Local Government Election Act*
- *The Local Improvements Act, 1993*
- *The Municipal Board Act*
- *The Municipal Debentures Repayment Act*
- *The Municipal Development and Loan (Saskatchewan) Act*
- *The Municipal Expropriation Act*
- *The Municipal Industrial Development Corporations Act*
- *The Municipal Revenue Sharing Act*
- *The Municipal Tax Sharing (Potash) Act*
- *The Municipalities Act*
- *The Municipality Improvements Assistance (Saskatchewan) Act*
- *The Northern Municipalities Act*
- *The Planning and Development Act, 2007*
- *The Rural Development Act*
  (Shared with the Minister of Regional Economic and Co-operative Development)
- *The Rural Municipal Administrators Act*
- *The Subdivisions Act*
- *The Tax Enforcement Act*
- *The Time Act*
- *The Urban Municipal Administrators Act*
- *The Urban Municipality Act, 1984*

Provincial Secretary

- *The Historic Properties Foundations Act*
- *The Provincial Secretary's Act*
- *The Recognition of John George Diefenbaker Day Act*
- *The Tommy Douglas Day Act*

President of Executive Council

- *The Provincial Emblems and Honours Act*
- *Saskatchewan Protective Services Medal Regulations, 2007*